

THE UNIVERSITY OF MICHIGAN

Approved by the Regents
November 18, 2010

REGENTS COMMUNICATION

ACTION REQUEST

Subject: Research Agreement between the University of Michigan and Biomatrix Photonics, Inc.

Action Requested: Authorization to enter into Agreement

Preamble:

A statutory conflict of interest situation was identified by the Division of Research Development and Administration while reviewing the Proposal Approval Form. This then triggered a review by the Medical School Conflict of Interest Board and OVRP Conflict of Interest Review Committee. A plan for management of the possible risks associated with the conflicts of interest was then developed by the Board and the Committee and agreed to by the parties involved in these plans.

This proposed research agreement ("Agreement") falls under the State of Michigan Conflict of Interest Statute because Professors Michael Morris, Blake Roessler and Steven Goldstein are both employees of the University of Michigan ("University") and partial owners of Biomatrix Photonics. The law permits such an Agreement provided it is disclosed to the executive officers and approved in advance by a 2/3 vote of the Regents of the University of Michigan.

Background:

Dr. Michael Morris, Professor in Chemistry, Dr. Blake Roessler, Associate Professor in Internal Medicine and Dr. Steven Goldstein, Professor, Orthopedic Surgery, are partial owners of a for-profit company called Biomatrix Photonics, Inc. ("Company"). The Company wishes to support a research contract for further development of the inventions made by Drs. Morris, Roessler, and Goldstein. A technology license agreement has been disclosed previously under separate Regental Action.

Nature of the Agreement:

The Company has received a license from the University that relates to the subject of the research projects and has submitted a proposal to the National Institutes of Health Small Business Technology Transfer program to support related research. The proposed project would constitute a subcontract under that proposal and involves diagnostic evaluation of bone using transcutaneous raman spectroscopy.

Terms of Agreement:

The terms of the proposed agreement will conform to University policy regarding publication and intellectual property. Dr. Michael Morris, Professor in Chemistry, will direct the project over an initial one-year period at an estimated cost of \$94,541. Dr. Steven Goldstein, Professor, Orthopedic Surgery, will be a participating investigator with

specified effort. The contract will include a provision allowing extension and modification of the project upon mutual agreement of the parties. University procedures for approval of these changes will be followed and additional conflict of interest review will be done as appropriate.

Pecuniary Interest:

The pecuniary interests of Drs. Morris, Roessler and Goldstein arise from being partial owners of Biomatrix Photonics, Inc.

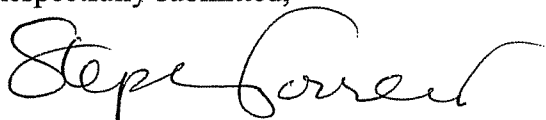
Impact of the Agreement:

This study will provide further information that will assist the Company in developing and commercializing the licensed technologies for diagnosis of bone disease.

Recommendation:

These matters have been reviewed and approved by the Medical School Conflict of Interest Board and the OVPR Conflict of Interest Review Committee. In light of the disclosure made in this document and our finding that the Agreement will be negotiated in conformance with standard University practices, I recommend that the Board of Regents approve of the University's entering into this Agreement with Biomatrix Photonics, Inc.

Respectfully submitted,

A handwritten signature in cursive script that reads "Stephen R. Forrest". The signature is written in black ink and is positioned above the printed name and title.

Stephen R. Forrest
Vice President for Research

November 2010